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CIA REPORT TO THE PSYCHOLOGICAL STRATEGY BOARD

January - June 1953

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CIA REPORT TO THE PSYCHOLOGICAL STRATEGY BOARD

GENERAL APPRAISAL

The effectiveness of political-psychological (PP) operations is not easily or promptly susceptible to satisfactory assessment other than in exceptional cases.

0-3 (2)

The major accomplishments of political action and propaganda operations in Western Europe have been in the area of European unification along the lines of the Atlantic unity concept, and in reducing the power and influence of Communism. Covert operations have been chiefly in support of overt U.S. Government actions to achieve greater military,

economic and political cooperation.

In combatting

Communism, actions to expose and counter Communist maneuvers promote political stability.

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In the European satellite area, CIA's major efforts continued to center on the build-up of operating potential. Past experience has

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demonstrated that covert FW, while serving to foster hope and rally the anti-regime sentiments of the people, to be fully effective, requires concrete evidence of Communist weakness and resistance activity, as well as tangible signs of growing Western strength in the area. In this frame of reference, Albania, which has been relatively accessible remains the weakest link in the Soviet chain of satellites. El sewhere b among the European satellites, progress has been slow due to the difficulty of reaching the target audiences through propaganda media. BI Efforts to influence Middle Eastern leadership met with increasing success during the period under b-1 review. Marked progress was made leaders to an awareness of the stimulating] danger of Communism resulting in more extensive and articulate opposition

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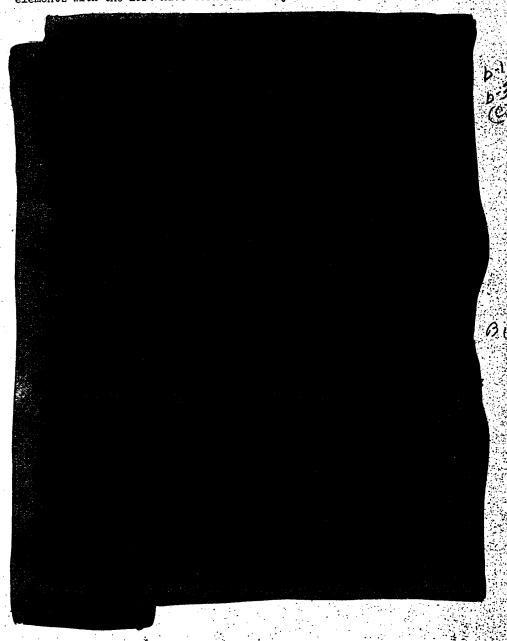
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to Communism than was the case six months ago. Efforts to curb or control rightest extremist influence and prevent the collaboration of these elements with the left have been relatively successful.



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The outstanding events of FW significance occurring during the period were the death of Stalin and the transition of power within the USSR.

The importance of both events was area wide and they provided

Aside from neutral press

and radio comment,

which

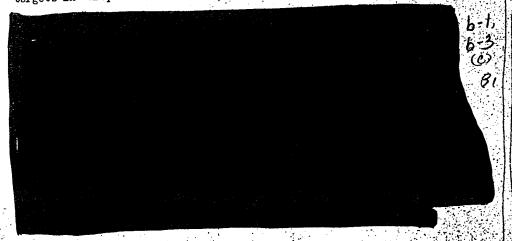
is still underway, has been too obscure to be gauged conclusively.

- 1. STATUS OF PSYCHOLOGICAL PROGRAMS
- A. Methods and Techniques Employed in Accomplishing these Tasks:

 CIA engages in cold war activities through the covert use of tech-

niques

B. Concepts of Operations by Area: All FW media for reaching major tergets in Europe were used effectively in view of literacy standards.



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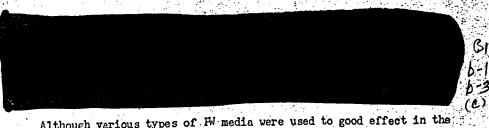
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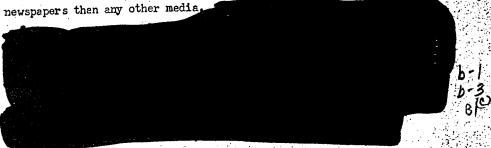
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Although various types of FW media were used to good effect in the Near East, controlled press outlets, in general, were most effective, because the largest segment of the target audience had greater access to



Radio broadcasting and leaflet distribution were the principal media utilized to reach Soviet military forces stationed outside the USSR.

Radio alone corrently is being used to reach targets in the USR itself.

C. Major obstacles and Difficulties Encountered:

In general Western Europeans were highly critical of undertakings which were popularly accepted both as primarily in the interest of the United States and U.S. inspired. Certain powerful types of propaganda are most effective when staged against a background of unwavering U.S. strength. Unfortunately, views projected from the platform of U.S. debate sometimes reflect lack of resolution and uncertainty poorly understood abroad. The effect is to undermine confidence in U.S. governmental concepts and leadership, e.g., the confusing role of legislative committees in speaking or acting on international policy matters, without

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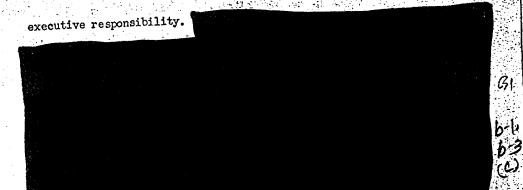
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Economic warfare

operations have been limited in the absence of a clear definition of a policy objectives in the fields of shipping controls, economic defense

and East-West trade.

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Past and present policies of the United States and its Western allies toward the Middle East have resulted in deep-seated resentment on the part of the Arabs towards the U.S. role in the creation of the state of Israel and the Arab refugee problem; in growing antipathy throughout the Arab, Asian, and African world directed against the colonial powers and against what is considered an equivocal policy on the part of the U.S. towards the principle of self-determination; and in fear of being drawn into what is regarded as a power struggle between two great rival blocks. Other problems have arisen from the basic weaknesses of the area itself in terms of its vulnerability to attack or subversions, the political instability of most of its governments, and the economic and social deficiencies which exist throughout the region. Aggravating these weaknesses and contributing to the prevailing unrest are the growth of nationalism and racism, and the decline in the British and French power positions in the area, creating a vacuum which the local authorities are incapable of filling. Suspicion on the part of the governments and peoples of the area towards any kind of foreign activity, a reluctance not only to participate with the West in regional defense planning but even to accept Western material aid or advice, the belief that U.S. interest in the area arises only from a desire to counter Communism compounded with a fear that the area will become a theatre of operations in a Soviet-Western power struggle, an apathy towards problems transcending the immediate area, governmental control of existing informational outlets, and widespread illiteracy are all obstacles which make it difficult to reach significant segments of the terget population.

The major obstacles encountered in mounting Soviet Russia operations

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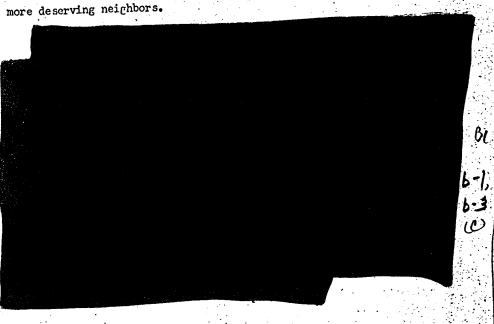
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have been those which have resulted from the efforts of the regime to cut off completely all communication between its citizens and the outside by world.

The individuals and

groups are often more interested in partisan political strife among themselves than in an active struggle against the Soviet regime in the homeland.

Problems surrounding the success of psychological warfare operations in Latin America have been due in some cases to actions of the U.S. government over which CIA had no control, e.g., the RFC decision not to sign any contract with the Bolivian Covernment for the purchase of tin, the question of restriction on the import of Venezuelan oil and the concentration of financial and technical assistance in other quarters of the globe which was interpreted by some Latin Americans as neglect of more deserving neighbors.



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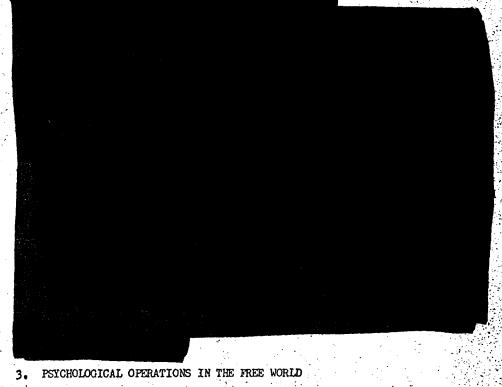
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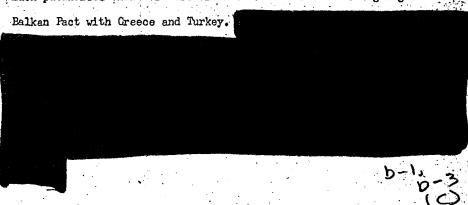
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A. Europe:

The strengthening of Yugoslav ties with the West continued with the much publicized visit of Marshal Tito to London and the signing of the



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- 5. SUMMARY OF SIGNIFICANT AREA CHANGES AFFECTING CIA OPERATIONS
- A. <u>USSR</u>: Announcement of the doctor's plot, its subsequent reversal and the counter-purge against those responsible for it; Stalin's death; the new Soviet "peace offensive".
- B. <u>Satellites and East Germany</u>: Death of President Klement Cottwald; defection of two Slovek fliers; pardon of William Catis; East Berlin riots;

 Polish attack on U.S. intelligence activities in Poland; Bulgarian decree threatening severe retaliation against members of escapee families; Rumanian preparations for the World Youth Congress and Festival to be held in Bucharest in July and August.
- C. Europe: Popular endorsement of the middle-of-the-road coalition
 Austrian Government and Soviet rejection of the Western Allies' invitation to
 resume treaty discussions; ratification in West Germany of the EDC treaty and

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Contractual Agreements; signing of the Balkan Pact by Greece, Yugoslavia and Turkey; failure of De Gasperi Covernment to obtain the minimum vote necessary to benefit from Italy's new electoral law; marked strengthening of Yugoslav ties with the West; formation and downfall of the Mayer Covernment, sustained strength of the Communist Party

D. Near East:

strengthening of Turkish ties with

Western nations; the series of tests of strength between Mossadeq and his opposition and dissuasion of Shah to abdicate; U.S. grant of wheat to Pakistan; filling of the post of Minister of the Interior in Afghanistan by an individual favorably disposed toward the U.S.; USSR demunciation of India's Korean resolution.

- E. Far East: Chinese Nationalist troops combined operations with
 Karen insurgent forces against Burmese military and civilian elements in
 the Shan States and the U.N. resolution looking toward the evacuation of
 the Nationalist's troops; military invasion of Laos by the Viet Minh;
 demands from the King of Cambodia for increased independence; pressure
 maintained by the Soviets to establish an Indonesian Embassy in Moscow;
 Quirino's illness, Magsaysay's nomination by the Nacionalista Party and
 Romulo's candidacy representing the newly formed Democratic Party in the
 Fhilippines; fall of the Japanese Liberal Party administration in March
 and elections for the House of Representatives and the House of
 Councilors in April; release of North Korean prisoners of war by President
 Rhee.
- F. Western Hemisphere: Softening of Peron's bitterly anti-U.S. attitude; passage by the Brazilian Chamber of Deputies of a bill excluding foreign

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capital from its petroleum industry; failure of the Ibanez supporters to receive a majority in either the Chilean Senate or Chamber of Deputies; deterioration of Communist strength in Panama. President Eisenhower's proposals of 16 April for world peace.

- 6. SUBSTANTIVE ACTIONS CUTTING ACROSS AREA LINES
- A. Soviet Peace Campaign: The new Soviet "peace offensive" may be interpreted as a significant move in the master plan designed to negate U. S. psychological warfare capabilities during the time of power transition, secure internal support for the new regime, create dissension and confusion among the Western 'llies by concessions designed to appeal to the neutralist sentiment on the European continent, wreak havoc on the EDC front and keep a rearmed Western Germany from being committed on the side of the West. It appears aimed at isolating the United States from its allies if, indeed, the U.S. is not captivated by the Soviet "new look".

In the Scandinavian countries, the peace program had little effect,

Reaction in the low countries was minimal, except for a softening of the non-Communist attitude in Belgium.

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The "peace offensive" in Eastern European areas, as the result of amnesties declared in the Soviet Union and the Satellites, isolated acts such as the release of William Oatis, and lifting of ration restrictions in several areas, have developed a strong psychological warfare weapon for the Soviets. Soviet overtures toward the unification of Germany on the basis of withdrawal of troops and free elections represent powerful appeals in support of communist objectives.

Soviet gestures in the Near East along this line have not been without

effect.

In other parts of the world the effect of the peace campaign was obscure, or as in the case of South Asia, accepted with skepticism as the result of the invasion of Leos.

Stalin's Death and Succession: The death of Stalin and transition in the party hierarchy overshadowed all other events during the reporting period Immediate world reaction to Stalin's illness and subsequent demise was one of intense speculation. Considerable disarray became manifest at once within the Satellites.

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a feature article to the effect that

Mao would replace Stalin as chief of the International CP. Radio commentary to Satellite nations reviewed Stalin's ruthless life and the suspicious nature of his death.

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To expose Malenkov's

work in revising history for his own glorification, photographs were sent to the field of pictures printed in "Pravda" on 15 February and 10 March, illustrating how the latter had been retouched to show Malenkov in a more favored position than actually was the case when the original was taken of the group which witnessed the signing of the Sino-Soviet agreement. The death of Gottwald, and the reported illnesses of Pieck, Shehu and Thorez, were heavily propagandized as Malenkov purges portending liquidations of Soviet puppets in other countries.

The impact of CIA's propaganda exploiting Stalin's death and the succession to power is not adequately measured in the isolated events occurring since March, but in cumulative effects which will not become apparent for some time. The occasion, itself, provided an unusual opportunity to emblazon across the world a propaganda campaign designed

7. STEPS TAKEN TO IMPLEMENT APPROVED PSB PLANS

A. PSB D-7 (Psychological Operations Plan Incident to Korean Cease-Fire Negotiations)

PSB J-19 (Breakoff of Korean Armistice Negotiations): CIA produced
a supporting plan to D-7 and J-19 in the Fall of 1952. Authorization
for implementing preparations for cease fire and break-off contingencies
was not given to field stations until January 1953. Field implementation
has now commenced.

B. FGB D-18a (<u>Phase A - Psychological Operations Plan for Soviet Orbit Escapees</u>)
(Phase B - A National Psychological Program with Respect to Escapees from the Soviet Orbit): RSB D-18a calls for

the reception, care and resettlement of escapees (Phase A) and stimulation

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- C. FBB D-21 (A National Psychological Strategy with Respect to Germany):

 FBB D-21 was forwarded to the field shortly after its approval by the

 FBB to serve as a policy guide for all CIA covert psychological warfare

 operations in the German erea. The FY 54 German country plan was written

 to conform with D-21, which also is being used as a basis for FY 55 and

 56 programming.
- D. RSB D-22 (Psychological Strategy Program for the Middle East): CIA has completed a draft of the FY 54 program for the Middle East which takes into full consideration the objectives and tasks outlined in D-22. The Middle East program was drawn up following a complete review of PSB proposals by the field stations.
- sent to the field shortly after its approval with instructions to draft an operational ancex. This annex has not as yet been received by Washington headquarters.

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PSYCHOLOGICAL PROGRAM - EXPENDITURES

The table below is a summary of the total costs of our national psychological programs. The figures are taken from expenditure figures contained in the appended progress reports of the Departments of State and Defense, the Central Intelligence Agency, and the Mutual Security Agency.

Estimated Carry-over Expenditures Funds, June 30, 1953 Estimated Expenditures Actual Actual Actual FY-154 FY-155 FY-156 FY-157 FY-158 FY-151 FY-152 FY-153 (the expenditures shown are in millions of dollars to the nearest tenth,

- 1 T-								
Foreign Information (State)	95,2	126.0 103.11	17.52	109,03	_4	-	-	_
Foreign Information (i.SA)	18.8	20.3 20.5	none	7.65		-	•	•
Military - Unconvention	nal							
& Psywar (Defense)		38.6 43.2	•7	13.56	•	-		•
Unconvention (CIA)	nal							
Escapee Program (State)		1.48	h.1	9.2	8.5	6.9	4.5	_9
Strategic P and Coordin tion (PSB)	lans a- -	0.4 0.5	negl.	0.6	0,6	0.6	0.6	0.6
IDENTIFIABL	E .141.1	185.3 168.7	22.3	139.9		.*		

· Estimated

For radio acquisition and construction

Total requested IIA Congressional Appropriation In view of impending changes, including setting up of new information agency,

no valid basis exists for projections beyond 154

This figure of 7.6 is scheduled for transfer to the new USIA under reorganization Plan No. 8. It excludes 7.0 million already transferred to IIA by Burea of Budget

Interim estimate

These figures are being supplied directly to the President by the Director of

Central Intelligence FY 152 & 153 shown together by reason of short period of operation in fiscal 152; included in FY-153 total

No basis for estimate

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